



BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
(B-52-2020)

Foreign-Trade Zone 38 – Spartanburg County, South Carolina
Application for Production Authority
Teijin Carbon Fibers, Inc.
(Polyacrylonitrile-based Carbon Fiber)
Greenwood, South Carolina

An application has been submitted to the Foreign-Trade Zones (FTZ) Board by the South Carolina State Ports Authority, grantee of FTZ 38, requesting production authority on behalf of Teijin Carbon Fibers, Inc. (TCF), located in Greenwood, South Carolina. The application conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.23) was docketed on August 6, 2020.

The TCF facility (currently under construction, projected to have 90 employees, 440 acres) is located within Site 35 of FTZ 38. The facility is used for the production of polyacrylonitrile-based carbon fiber. In 2019, TCF requested production authority in a notification proceeding (15 CFR 400.22 and 400.37). After an initial review, the requested production authority was approved subject to a restriction requiring that all foreign-status polyacrylonitrile (PAN) fiber admitted for production activity be re-exported (entry for U.S. consumption was not authorized) (see B-38-2019, 84 FR 54837, 10/11/2019).

If the application were approved, on its domestic sales, TCF would be able to choose the duty rate during custom entry procedures that applies to PAN carbon fiber (duty-free) for the foreign-status inputs noted below. TCF would be able to avoid duties on foreign-status PAN fiber which becomes scrap/waste. Customs duties also could

possibly be deferred or reduced on foreign-status production equipment. The request indicates that the savings from FTZ procedures would help improve the plant's international competitiveness.

Components and materials sourced from abroad (representing 50-60% of the value of the finished product) include: 12,000 tow PAN fiber (precursor) and 24,000 tow PAN fiber (precursor) (duty rates are 8% and 7.5%, respectively). The request indicates that the PAN fiber is subject to special duties under Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 301 decisions require subject merchandise to be admitted to FTZs in privileged foreign status (19 CFR 146.41).

In accordance with the FTZ Board's regulations, Diane Finver of the FTZ Staff is designated examiner to evaluate and analyze the facts and information presented in the application and case record and to report findings and recommendations to the FTZ Board.

Public comment is invited from interested parties. Submissions shall be addressed to the FTZ Board's Executive Secretary and sent to: ftz@trade.gov. The closing period for their receipt is **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. Rebuttal comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period to **[INSERT DATE 75 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the application will be available for public inspection in the "Reading Room" section of the FTZ Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Diane Finver at Diane.Finver@trade.gov or (202) 482-1367.

Dated: August 7, 2020.

Andrew McGilvray,
Executive Secretary.

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